

NEW ISSUE—BOOK-ENTRY ONLY

In the opinion of the Attorney General of the State of California and Co-Special Counsel, based on existing laws, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, the portion of each 1997 Base Rental Payment due under the Facility Lease designated as and comprising interest and received by the owners of the 1997 Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes.

In the further opinion of the Attorney General and Co-Special Counsel, interest represented by the 1997 Certificates is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although the Attorney General and Co-Special Counsel observe that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. The Attorney General and Co-Special Counsel express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest with respect to the 1997 Certificates. See "TAX MATTERS" herein.

\$52,575,000*

**REFUNDING CERTIFICATES OF PARTICIPATION
SERIES 1997A**

**Evidencing and Representing a Proportionate Undivided Interest
of the Owner Thereof in Base Rental Payments to be Made by the
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
to the
East Bay State Building Authority**

Dated: October 1, 1997

Due: March 1, as shown on inside cover page

This Official Statement describes the East Bay State Building Authority (the "Authority") and its Refunding Certificates of Participation (East Bay State Building) Series 1997A (the "1997 Certificates").

The 1997 Certificates represent an undivided interest of the Owners thereof in 1997 Base Rental Payments to be made by the State of California, acting through the Department of Transportation (the "Department"), under an amended Facility Lease pursuant to which the Authority will lease the Facility to the Department. See "SECURITY AND SOURCE OF PAYMENT FOR THE 1997 CERTIFICATES."

Interest is payable on March 1, 1998 and semiannually thereafter on March 1 and September 1 of each year. The 1997 Certificates will be registered in the name of a nominee of The Depository Trust Company, New York, New York ("DTC") which will act as securities depository for the 1997 Certificates. Beneficial interests in the 1997 Certificates may be purchased in the principal amount of \$5,000 and any integral multiple thereof in book-entry only form.

The 1997 Certificates are subject to prepayment prior to their respective payment dates. See "THE 1997 CERTIFICATES—Prepayment Provisions."

The 1997 Certificates will provide funds, together with other lawfully available moneys, to prepay certain outstanding certificates of participation, to provide a reserve fund and to pay the costs of execution and delivery of the 1997 Certificates.

THE OBLIGATION OF THE DEPARTMENT TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITY LEASE IS DEPENDENT UPON AND SUBJECT TO THE DEPARTMENT'S BENEFICIAL USE AND OCCUPANCY OF THE FACILITY. ACCORDINGLY, THE ABILITY OF THE AUTHORITY TO PAY THE PRINCIPAL AND INTEREST REPRESENTED BY THE 1997 CERTIFICATES WILL BE DEPENDENT UPON CONTINUING USE AND OCCUPANCY OF THE FACILITY BY THE DEPARTMENT. THE 1997 CERTIFICATES DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE AUTHORITY, THE STATE OR THE DEPARTMENT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE DEPARTMENT OR THE AUTHORITY. THE HOLDERS OF THE 1997 CERTIFICATES SHALL HAVE NO RIGHT TO HAVE EXCISES OR TAXES LEVIED FOR THE PAYMENT OF AMOUNTS DUE ON THE 1997 CERTIFICATES. NEITHER THE AUTHORITY NOR THE DEPARTMENT HAS ANY TAXING POWER.

This cover page contains information for quick reference only. It is *not* a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

(See Inside Cover Page)

The 1997 Certificates are offered when, as and if delivered to and received by the Underwriters identified below, subject to the approval of legality by the Honorable Daniel E. Lungren, Attorney General of the State of California, and by Nossaman, Guthner, Knox & Elliot LLP, San Francisco, California and Quateman & Zidell LLP, Los Angeles, California, Co-Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the Department by the Attorney General of the State of California and for the Underwriters by Orrick, Herrington & Sutcliffe LLP, San Francisco, California. It is expected that the 1997 Certificates in book-entry form will be available for delivery to DTC on or about , 1997.

**Honorable Matt Fong
Treasurer of the State of California**

Goldman, Sachs & Co.

**PaineWebber Incorporated
Union Bank of California, N.A.**

Great Pacific Securities, Inc.

Dated: _____, 1997

* Preliminary, subject to change.

1997 CERTIFICATES
\$_____ Serial Certificates

Year (____1)	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	Year (____1)	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>
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\$_____ % Term Certificates due _____ 1, _____
(Plus Accrued Interest from _____ 1, 1997)

The information set forth herein has been obtained from the State, the Authority, the Department and other sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE STATE, THE AUTHORITY OR THE DEPARTMENT SINCE THE DATE HEREOF. FURTHER, ALL SUMMARIES CONTAINED HEREIN OF THE TRUST AGREEMENT, THE FACILITY LEASE OR OTHER DOCUMENTS ARE MADE SUBJECT TO THE PROVISIONS OF SUCH DOCUMENTS AND INSTRUMENTS AND DO NOT PURPORT TO BE COMPLETE, COMPREHENSIVE OR DEFINITIVE SUMMARIES OF ANY OR ALL OF SUCH PROVISIONS.

This Office Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of the 1997 Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 1997 CERTIFICATES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANYTIME. THE UNDERWRITERS MAY OFFER AND SELL THE 1997 CERTIFICATES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS, AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 1997 Certificates by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized.

Copies of this Official Statement may be obtained from:

HONORABLE MATT FONG
Treasurer of the State of California
P.O. Box 942809
Sacramento, California 94209-0001
(916) 653/3451

This Preliminary Official Statement is available as public information on the State Treasurer's Internet site at <http://www.treasurer.ca.gov>.

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